

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (X) HCP () IE () IC		Response Timely Filed? (X) Yes () No	
Requestor Vista Medical Center Hospital 4301 Vista Rd. Pasadena, TX 77504		MDR Tracking No.: M4-04-5369-01	
		TWCC No.:	
		Injured Employee's Name:	
Respondent's Liberty Mutual Insurance Co. Rep. Box # 28		Date of Injury:	
		Employer's Name: Riley & Associates	
		Insurance Carrier's No.: 973326303	

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
2-3-03	2-15-03	Inpatient Hospitalization	\$110,198.58	\$38,407.82

PART III: REQUESTOR'S POSITION SUMMARY

F – Payment not in accordance with Acute In-Patient Stop Loss Fee Guideline. G – Unbundling rule is prohibited for this service.

PART IV: RESPONDENT'S POSITION SUMMARY

Upon conducting a line audit, it was determined that the charges for implants were above usual and customary...Liberty Mutual does not believe that Vista Medical Center Hospital is due any further reimbursement for services.

PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested reimbursement according to the stop-loss method contained in that rule. Rule 134.401(c)(6) establishes that the stop-loss method is to be used for "unusually costly services." The explanation that follows this paragraph indicates that in order to determine if "unusually costly services" were provided, the admission must not only exceed \$40,000 in total audited charges, but also involve "unusually extensive services."

The discharge summary indicates that, "Patient ...underwent laminectomy and fusion with instrumentation L3 to the sacrum with anterior and posterior bone grafting as well as stabilization with instrumentation, battery placement, cage placement. The patient postoperatively was kept at bedrest...The tooth of the paddle tube was noted to be lying between the 2 cages at L5-S1 within the interspace ...Xrays and the complication of the fractured paddle tube was discussed with the patient immediately after verification with x-rays on 2/6/03...The patient was subsequently taken to the operating room on 2/7/03...The fragment of the paddle tube was found...within the interspace...sent to the recovery room in good condition...The next day the patient was gotten out of bed."

After reviewing the documentation provided by both parties, it **does** appear that this particular admission involved "unusually extensive services." In particular, this admission resulted in a hospital stay of 12days based upon (subsequent surgery). Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

Spine Tech, Inc. invoice \$32,853.00
TMC invoice \$3945.00
TMC invoice \$8225.00

Total of invoices = \$45,023.00. The requestor billed \$186,246.00 for implants.

The insurance carrier paid \$111,690.85 for the inpatient hospitalization.

The requestor billed \$296,331.57 for the hospitalization. In determining the total audited charges, it must be noted that the insurance carrier has indicated some question regarding the charges for the implantables. The requestor billed \$186,246.00 for the implantables. The actual cost for the implants per invoices was \$45,023.00.

Based on a review of numerous medical disputes and our experience, the average markup for implantables in many hospitals is 200%. Since the requestor did not present any documentation supporting their charge, we will apply this average mark-up to the cost amount derived from the invoices in order to determine the amount to use in the total audited charges. This amount multiplied by the average mark-up of 200% results in an audited charge for implantables equal to \$90,046.00.

The audited charges for this admission, excluding implantables, equals \$110085.57. This amount plus the above calculated audited charges for the implantables equals \$200,131.57, the total audited charges. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$150,098.67.

The insurance carrier audited the bill and paid \$111,690.85 for the inpatient hospitalization. The difference between amount paid of \$111,690.85 and amount due of \$150,098.67 = \$38,407.82.

Based on the facts of this situation, the parties' positions, and the application of the provisions of Rule 134.401(c), we find that the health care provider is entitled to a reimbursement amount for these services equal to \$38,407.82.

PART VI: COMMISSION DECISION AND ORDER

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is entitled to additional reimbursement in the amount of \$38,407.82. The Division hereby **ORDERS** the insurance carrier to remit this amount plus all accrued interest due at the time of payment to the Requestor within 20-days of receipt of this Order.

Ordered by:

Allen McDonald, Director

Authorized Signature

Typed Name

Date of Order

Decision by:

Elizabeth Pickle

Authorized Signature

Typed Name

April 21, 2005

Date of Order

PART VII: YOUR RIGHT TO REQUEST A HEARING

Either party to this medical dispute may disagree with all or part of the Decision and has a right to request a hearing. A request for a hearing must be in writing and it must be received by the TWCC Chief Clerk of Proceedings/Appeals Clerk within 20 (twenty) days of your receipt of this decision (28 Texas Administrative Code § 148.3). This Decision was mailed to the health care provider and placed in the Austin Representatives box on _____. This Decision is deemed received by you five days after it was mailed and the first working day after the date the Decision was placed in the Austin Representative's box (28 Texas Administrative Code § 102.5(d)). A request for a hearing should be sent to: Chief Clerk of Proceedings/Appeals Clerk, P.O. Box 17787, Austin, Texas, 78744 or faxed to (512) 804-4011. A copy of this Decision should be attached to the request.

The party appealing the Division's Decision shall deliver a copy of their written request for a hearing to the opposing party involved in the dispute.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.

PART VIII: INSURANCE CARRIER DELIVERY CERTIFICATION

I hereby verify that I received a copy of this Decision in the Austin Representative's box.

Signature of Insurance Carrier: _____ Date: _____